

CLEVELAND PHOTO LIBRARY  
175 W. 14TH ST.  
CANTON OHIO FILE

RETURN TO  
ERNEST B. BENT  
NATIONAL LIBRARY  
CLEVELAND

FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 62

FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 62

For The Fiscal Year Ending April 28, 1962





## THE YEAR IN BRIEF

FISCAL YEAR	1967	1966
Sales	\$1,296,620,631	\$1,204,519,890
Income Before Extraordinary Items	\$ 10,028,374	\$ 10,957,014
Extraordinary Items	\$ 2,003,000	\$ 1,547,000
Net Income	\$ 12,031,374	\$ 12,504,014
Per Share of Common Stock*:		
Income Before Extraordinary Items	\$ 1.38	\$ 1.51
Extraordinary Items	\$ .28	\$ .21
Net Income	\$ 1.66	\$ 1.72
Dividends Paid in Cash:		
Preferred Stock	\$ 170,593	\$ 188,276
Common Stock	\$ 6,436,354	\$ 6,385,031
Earnings Retained in the Business	\$ 5,424,427	\$ 5,930,707
Current Assets	\$ 166,382,132	\$ 159,130,115
Current Liabilities	\$ 83,021,969	\$ 80,183,660
Working Capital	\$ 83,360,163	\$ 78,946,455

\*Based on shares outstanding at April 29, 1967

### ANNUAL MEETING

The annual meeting of shareholders of Food Fair Stores, Inc., will be held Tuesday, August 15, 1967, at 2 P.M., E.D.T., in the Meeting Room of the Company's corporate headquarters, 3175 John F. Kennedy Blvd., Philadelphia, Pennsylvania. Shareholders are cordially invited to attend.

A formal notice of the meeting, a proxy, and a proxy statement are enclosed. Shareholders unable to attend are urged to date, sign, and return the proxy promptly so as to be assured of representation at the meeting.

One of the new Food Fair supermarkets opened during fiscal 1967.



*Louis Stein*



*Jack M. Friedland*

## **To The Shareholders of Food Fair Stores, Inc.**

Sales for the fiscal year ended April 29, 1967 were the highest of any year in your Company's 47-year history. Total sales amounted to \$1,296,620,631, enabling us to retain our position as the nation's fourth largest retail food chain.

Earnings for the year amounted to \$1.66 per common share, compared with \$1.72 per share in the 1966 fiscal year based on shares outstanding at year end. Both years comprised 52 weeks.

Although our sales were rising to all-time highs, we were faced with higher store operating costs, rising wages, the unusually high store-remodelling and store-conversion costs, and higher taxes. While paying higher prices for the merchandise and services we bought, consumer resistance, evidenced by area boycotts, and the competitive climate prevented our passing on the increases to the consumer. Thus our earnings for the year were affected.

During fiscal 1967, we added 36 retail food markets and three J. M. Fields discount department stores in various areas of our chain. In addition, 32 older markets were remodelled. At the year-end, your Company operated 630 units.

Fiscal 1967 was a significant year for another reason. It was the year that our Founder, Mr. Samuel Friedland, retired as Chairman of the Board "in order to encourage the development of younger management." Mr. Friedland will continue to take an active role as a Director and as Chairman of the Executive Com-

# FOOD FAIR STORES, INC. ANNUAL REPORT 67

*Heart of Food Fair's electronic computer center, main office, Philadelphia, Pa.*

mittee. His retirement initiated a series of executive and other management changes and promotions, with the accent on youth.

A more extensive and in-depth program of executive appraisal has been started to assure a qualified management team for the future. At the same time, we are continuing to strengthen and improve personnel training at other levels.

During the year we increased our use of electronic data processing equipment and expanded it to other areas of our chain; we increased our private label family of products; stepped-up our discount food operations with the introduction of 40 discount supermarkets in selected marketing areas, and continued our youth programs in the communities where we operate.

Your management is grateful for the support and continued cooperation of the shareholders. The Food Fair family, all 30,000 of us, pledge a common goal: increased sales and improved earnings in the challenging year ahead.

July 25, 1967

Sincerely,

*Louis Stein*  
Chairman of the Board

*Jack W. Friedland*  
President



## FINANCIAL REVIEW

**SALES AND EARNINGS** Consolidated sales for the 52-week fiscal year ended April 29, 1967 were \$1,296,620,631, the highest the Company ever has recorded. This is an increase of 7.6 percent over the alltime high of \$1,204,519,890 set the previous fiscal year.

Net income amounted to \$12,031,374, equal to \$1.66 per share on the common stock outstanding at the year-end. Last year, net income was \$12,504,014, equal to \$1.72 per share on the same share basis.

**DIVIDENDS** Annual dividends of \$4.20 per share on the preferred stock and \$.90 per share on the common stock were paid during the last fiscal year. Total dividends on the preferred and common stocks for fiscal 1967 amounted to \$6,606,947. There were 19,480 Food Fair shareholders at the year's end.

**FINANCIAL POSITION** The Company's financial condition continued strong. Once again, no equity financing was necessary to continue our store expansion and remodeling programs. Working capital at the year-end increased to \$83,360,163, compared with \$78,946,455 the previous year. Ratio of current assets to current liabilities was two to one.

**CAPITALIZATION** Common stock outstanding at April 29, 1967 amounted to 7,151,382 shares as compared with 7,151,349 outstanding at April 30, 1966.

The Company retired 3,410 shares of preferred stock in fulfilling its sinking fund obligations.

Stockholder equity increased to \$112,854,430 at the end of the fiscal year as compared with \$107,726,541 at the end of the previous year.

FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 67

# REVIEW OF OPERATIONS

## EXPANSION

During fiscal 1967, your Company added 36 retail food markets, including four in the Pacific Division, and three J. M. Fields discount department stores. In the previous year, 45 food markets were added (six in the Pacific Division), and two J. M. Fields stores.

In addition to increasing the number of stores in operation, we continued our modernization program by remodeling 32 older food markets. We constantly are remodeling our older markets so as to increase their efficiency and attractiveness.

Some markets, of course, had outlived their usefulness and, because of changing population patterns and other economic factors, could not be revitalized. We closed 24 such food markets and one department store during fiscal 1967. In some instances, these closed stores were replaced by new, modern units in the same geographic area.

At the year-end, your Company operated 566 food markets, 57 J. M. Fields department stores, and seven drug stores, for a total of 630 units. A state-by-state listing of all our stores is on Page 16 of this report.

During the current fiscal year we plan to open an additional 20 food units, and 5 J. M. Fields stores.

## MARKETING-MERCHANDISING

The emphasis of our marketing and merchandising efforts during this past year has been on programs designed to maximize sales and profits in each of the areas in which we operate.

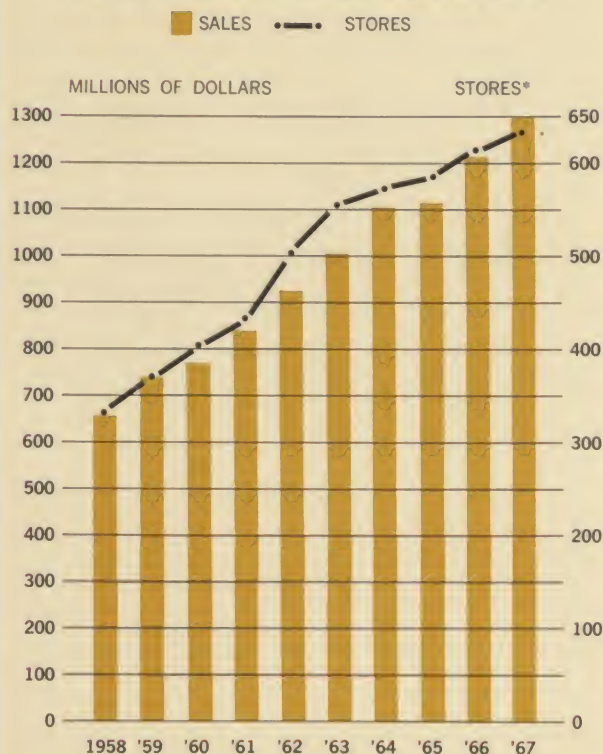
In some instances, competitive conditions have dictated the elimination of trading stamps, games, and various other promotions which continue to be popular in many localities.

Our "Pantry Pride" and "Food Fair Quality Discount" supermarkets are your Company's reaction to these situations. These stores are geared to a policy of low prices. Most are located within those areas where we currently operate, so as to better utilize already existing facilities of supervision, warehousing, transportation, and advertising.

The costs involved in the conversion and remodeling program were fully absorbed in the past year. Your Company feels that this is an investment in the future, an investment which holds very promising profit possibilities.

According to a recent survey of shopping habits, private label brands are among the most popular products purchased in supermarkets. This is due to the fact that the consumer receives a high quality product at a lower price, thereby creating loyalty to the store. Your Company is abreast of this trend and constantly is adding to its private label family. Many of these products are manufactured by Food Fair in its completely modern and efficient plants.

## Sales and Number of Stores



\*Includes 57 J. M. Fields department stores and 7 drug stores



Samuel Friedland

### SAMUEL FRIEDLAND RETIRES

At the annual meeting held in Philadelphia on August 16, 1966, Samuel Friedland, founder of your Company and Chairman of its Board of Directors, announced his retirement as Chairman "in order to encourage the development of younger management." Although relinquishing the board chairmanship, Mr. Friedland continues to play an active role as a Director, and as Chairman of the Executive Committee.

Mr. Friedland was one of the outstanding pioneers and exponents of the supermarket and its development. From his foresight, from his faith and trust in the concept he championed, evolved what is today the nation's fourth largest retail food chain.

### EXECUTIVE CHANGES

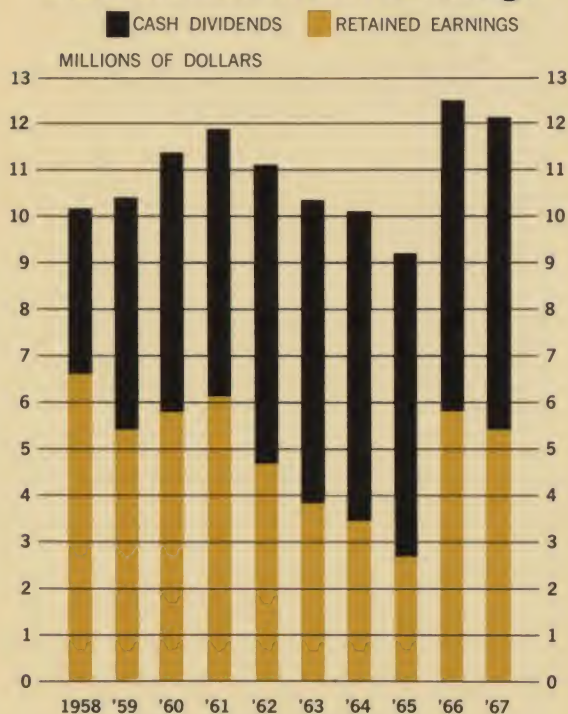
Following last year's annual meeting, the Board of Directors, nominated and re-elected by shareholders, met and elected Louis Stein, former President, Chairman of the Board of Directors and Chief Executive Officer; Myer B. Marcus, former Executive Vice President, Vice Chairman of the Board, and Jack M. Friedland, former Vice President, President of your Company.

Both Mr. Stein and Mr. Marcus have been associated with Samuel Friedland and your Company since 1929. Mr. Stein served as general counsel of Food Fair from 1929 to 1940, when he was elected Vice President. He was elected President in 1953.

Mr. Marcus, also a recognized pioneer of the self-service supermarket concept, became Vice President and Director of Store Operations in 1935. He was elected Executive Vice President in 1951.

Jack M. Friedland, son of Samuel Friedland, joined Food Fair in 1946. Beginning as a store clerk he moved on to gain practical experience in every phase of supermarket operation. In 1950 he was named Director of Store Planning, and elected a Vice President in 1953.

### Distribution of Net Earnings



Includes Extraordinary Items for 1964, 1965, 1966 and 1967



# REVIEW OF OPERATIONS

At the same meeting, Ronald L. Fine was elected Vice President in charge of real estate, construction, and maintenance for the entire Food Fair chain. A former director of these operations in the Southern Division, Mr. Fine assumed some of the duties formerly handled by President Friedland.

Vice President Louis Kasoff, former director of construction and maintenance, retired after 27 years with your Company. A Vice President since 1961, Mr. Kasoff had his own architect firm prior to joining Food Fair, and is a member of the American Institute of Architects. He will continue to serve your Company as a consultant.

## YOUTH MOVEMENT

Your Company's "accent on youth" was evident throughout fiscal 1967 in the number of supervisory promotions in practically every phase of operations. New department heads, whose average age is 40, were named for safety, marketing, produce operations, profit improvement programs, and real estate, construction and maintenance.

Although young in years, the new heads of these vital functions are veterans in experience. In some cases they succeeded supervisors who retired; in others, they moved up to newly created positions.

Your Company is extremely proud of the dedication and loyalty of its employes. During fiscal 1967, some 2,000 men and women of Food Fair were honored and given pins for their years of service. Of this number, 715 were cited for 15, 20, and 25 years of service to your Company.

## COMMUNITY SERVICE

Last year, close to 250 scholarships were granted at 32 colleges and universities through the Food Fair Stores Foundation. These scholarships are awarded annually to qualified Food Fair employes and their children, and to other high school graduates in the communities served by our stores. This measure of our sense of community responsibility has grown right along with the Company. We presently are granting almost five times as many scholarships, and to more than twice the number of institutions, as were granted when the program began in 1954.



*Pretzel rings on their way to the roaster at Food Fair's Hygrade bakery in Pennsville, N. J.*

*Production line at Food Fair's coffee-roasting and packaging plant in Philadelphia, Pa.*



The Foundation also maintains the Food Fair Chair in Marketing at the University of Florida, and annually provides financial aid to private colleges that do not participate in our scholarship program.

Another of Food Fair's continuing community service endeavors is the sponsorship of Little League and other junior baseball teams. Financial aid was given to some 75 such teams last year. We also sponsored the Junior Olympics Track and Field Championship Meet which annually attracts more than 10,000 boys and girls from Pennsylvania, New Jersey, and Delaware.

Many times during the year your Company furnished speakers to various civic, religious, and social groups to discuss various aspects of our industry. We also provided thousands of copies of "We Can Agree" booklets, containing behavioral codes for young people, to PTAs and to other groups.

### **WAREHOUSING AND DISTRIBUTION**

We presently are drawing up plans for a 90,000 square foot addition to our warehousing and distribution facility in Baltimore, Md. This is a natural outgrowth of our expansion and will enable us to service more efficiently our supermarkets in that area. Construction will be completed during fiscal 1968.

Our expanding use of electronic data processing and communication equipment is proving very effective in inventory control, both at the warehouse and at the store levels. More than 6,000 items now may be ordered by our stores, automatically, through this equipment. Other efficiencies and time-saving procedures in handling orders are being effected through the use of optical scanning equipment, and through telephonic relay systems, direct to our data processing center.

These cost-reducing methods are being introduced into more and more areas throughout our chain.

### **PERSONNEL & MANAGEMENT DEVELOPMENT**

To assure a qualified management team to lead your Company in the years ahead, a more extensive and in-depth program of executive appraisal has been initiated. One of the keystones in this program is a "human resources" inventory listing the job skills, work performance and educational background of all management personnel.

# REVIEW OF OPERATIONS

An important adjunct is the conduct of appraisal interviews, at which time the performance of each management member is personally reviewed with his superior. During these annual discussions, programs to aid the individual's development in his job and in preparation for greater responsibility are charted. Seminars for training those who will conduct the appraisal interviews are underway.

While this program is being implemented, we are continuing to strengthen and improve personnel training at other levels. The store manager training program, improved and refined through the years, has been the source of qualified persons to fill these important managerial posts. In the last year, 60 trainees were promoted to store manager, most of these having come up through the ranks.

A variety of programs have been offered to supervisory personnel to sharpen their managerial skills. These have included home-study courses, formal classes conducted at Company facilities, and special courses offered by colleges.

At the store level, some 400 department managers took self-study courses designed to serve both as refreshers and to provide an up-dating in supermarket operations and merchandising trends. Meanwhile, on-the-job training of clerks and cashiers continued undiminished.

During the year, your Company continued its unique communications program to facilitate a flow of information from middle management to top management. This is done through a committee of line management personnel who are elected by their associates, and meet monthly. They review mutual problems and then offer suggestions and recommendations on a broad range of Company subjects at periodic meetings with top management. This two-way information program has proved most helpful to your management in its planning.

## OUTLOOK

Food Fair is entering its 48th year with the eagerness of youth and the wisdom and experience of maturity. As with every year, this will be one of challenge and of change. There will be changes in shopping patterns, in consumer preferences, in physical improvements to stores, and in distribution. The challenge is to recognize and to implement the changes. Our ability to do these has made us the fourth largest of the nation's major food retailers. Our foundation is solid. We shall continue to anticipate and to serve the changing and increasing needs and desires of our customers.



*Portion of the attractive and spacious interior of a typical J. M. Fields department store.*

Well-stocked produce department  
of a typical Food Fair supermarket.



# FINANCIAL STATEMENTS

# STATISTICAL SUMMARY

FOOD FAIR STORES, INC.  
AND SUBSIDIARIES

(all dollar figures are in thousands)

Year Ended	Stores at Year-End	Sales	Net Income	Cash Dividends	Earnings Retained
<b>April 29, 1967</b>	<b>630</b>	<b>\$1,296,621</b>	<b>\$12,031 †</b>	<b>\$6,606</b>	<b>\$5,425</b>
April 30, 1966	615	1,204,520	12,504 †	6,573	5,931
May 1, 1965	587	1,119,640	9,236 †	6,516	2,720
May 2, 1964*	577	1,105,394	10,034 †	6,507	3,527
April 27, 1963	551	1,003,344	10,370	6,500	3,870
April 28, 1962	504	923,224	11,055	6,279	4,776
April 29, 1961	437	840,180	11,865	5,647	6,218
April 30, 1960	404	771,172	11,395	5,528	5,867
May 2, 1959*	368	733,960	10,396	4,928	5,468
April 26, 1958	332	654,829	10,122	3,529	6,593

\* 53 weeks

† Includes Extraordinary Items of \$2,003,000 in 1967, \$1,547,000 in 1966, \$389,000 in 1965, and \$2,677,872 in 1964

FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 67

Consolidated Statement of

# INCOME

FOOD FAIR STORES, INC.  
AND SUBSIDIARIES

	52 weeks ended	
	April 29, 1967	April 30, 1966
Sales .....	\$1,296,620,631	\$1,204,519,890
Cost of sales .....	1,043,827,935	970,432,255
Gross profit .....	252,792,696	234,087,635
Operating expenses .....	233,851,978	213,713,325
Income from operations .....	18,940,718	20,374,310
Other income .....	2,270,643	1,422,481
Income before interest expense .....	21,211,361	21,796,791
Interest expense .....	3,755,325	3,222,955
Income before taxes on income and extraordinary items .....	17,456,036	18,573,836
Taxes on income .....	7,427,662	7,616,822
Income before extraordinary items .....	10,028,374	10,957,014
Extraordinary items (Note 5) .....	2,003,000	1,547,000
Net income .....	\$ 12,031,374	\$ 12,504,014
Per share of common stock:		
Income before extraordinary items .....	\$1.38	\$1.51
Extraordinary items .....	.28	.21
Net income .....	\$1.66	\$1.72

See notes to financial statements.

Consolidated Statement of

# RETAINED EARNINGS

FOOD FAIR STORES, INC.  
AND SUBSIDIARIES

	52 weeks ended	
	April 29, 1967	April 30, 1966
Balance at beginning of period .....	\$56,098,285	\$50,167,578
Net income for the period .....	12,031,374	12,504,014
	68,129,659	62,671,592
Deduct:		
Cash dividends:		
Preferred stock .....	170,593	188,276
Common stock .....	6,436,354	6,385,031
	6,606,947	6,573,307
Balance at end of period .....	\$61,522,712	\$56,098,285

See notes to financial statements.

Consolidated Statement of

# FINANCIAL CONDITION

FOOD FAIR STORES, INC.  
AND SUBSIDIARIES

	<u>April 29, 1967</u>	<u>April 30, 1966</u>
<b>Current assets:</b>		
Cash .....	\$ 16,403,939	\$ 16,177,676
Marketable securities, at cost .....	518,259	348,405
Accounts receivable .....	26,682,200	24,753,768
Inventories, at lower of cost or market .....	117,446,031	111,249,461
Prepaid expenses .....	5,044,144	4,901,776
Real estate in the process of development and sale, net of payments received on account; 1967, \$5,702,000; 1966, \$8,660,000 .....	287,559	1,699,029
	<u>166,382,132</u>	<u>159,130,115</u>
 <b>Less current liabilities:</b>		
Accounts and notes payable .....	53,115,202	49,982,849
Accrued salaries and expenses .....	23,900,609	23,850,261
Current portion of long-term debt (Note 2) .....	3,230,658	2,814,708
Federal and state taxes on income .....	2,775,500	3,535,842
	<u>83,021,969</u>	<u>80,183,660</u>
 <b>Working capital</b> .....	<b>83,360,163</b>	<b>78,946,455</b>
 <b>Other assets:</b>		
Investments, at cost:		
Capital stock, Food Fair Properties, Inc. ....	4,244,444	4,244,444
Other (Note 1) .....	5,570,278	4,382,727
Property, plant and equipment, at cost, less accumulated depreciation; 1967, \$56,578,372; 1966, \$50,213,183 .....	88,092,466	90,919,188
Miscellaneous .....	5,337,166	4,745,610
	<u>186,604,517</u>	<u>183,238,424</u>
 <b>Deduct:</b>		
Long-term debt, due after one year (Note 2) .....	66,520,937	69,514,483
Liability for redemption of trading stamps, less portion included in accrued expenses .....	2,250,000	2,400,000
Deferred Federal income taxes (relating to accelerated depreciation) .....	4,979,150	3,597,400
	<u>73,750,087</u>	<u>75,511,883</u>
 <b>Net assets</b> .....	<b><u>\$112,854,430</u></b>	<b><u>\$107,726,541</u></b>
 <b>Derived from:</b>		
Capital stock:		
Preferred (Note 3) .....	\$ 3,939,500	\$ 4,280,500
Common (Note 4) .....	47,392,218	47,347,756
Retained earnings (Note 2) .....	61,522,712	56,098,285
	<u>\$112,854,430</u>	<u>\$107,726,541</u>

See notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

The following notes are applicable to the financial statements as at April 29, 1967. Reference is made to previously issued report for the notes applicable to the statements as at April 30, 1966.

## Note 1

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, except its wholly-owned life insurance company. Investments in this subsidiary and in 50% owned companies are stated at the Company's equity in net assets, and the Company's share of the net income and losses of such companies is included in the consolidated statement of income.

## Note 2

Long-term debt at April 29, 1967 is as follows:

	Rate	Due within one year	Due after one year	Final maturity
Banks	4½-6%	\$2,257,127	\$30,985,458	1968-1973
Mortgages	3-6%	685,772	2,143,499	1968-1986
Sinking fund debentures	3%½	161,000	13,000,000	1974
Convertible subordinated debentures, net of bonds in treasury of \$1,122,000	4%		20,014,200	1979
Other	0-6%	126,759	377,780	1969-1977
		<u>\$3,230,658</u>	<u>\$66,520,937</u>	

Sinking Fund Debentures require semi-annual sinking fund payments of \$400,000 through March 1, 1969 and \$500,000 thereafter through March 1, 1974. Part of the sinking fund requirements for the year ending April 27, 1968 have been anticipated.

Convertible subordinated debentures are convertible into common stock at \$32.94 per share through April 1, 1969. These debentures require semi-annual sinking fund payments beginning April 1, 1970 of 5% of the principal amount of the debentures outstanding on April 1, 1969.

The indentures covering the issuance of the debentures described above contain restrictions as to the payment of cash dividends and the redemption of shares of stock of the Company. The maximum amount of retained earnings so restricted at April 29, 1967, was \$33,475,114.

## Note 3

Preferred stock is \$4.20 cumulative, \$15 par value; 108,190 shares are authorized, of which 39,395 are issued and outstanding. The Company is obligated to set aside \$120,000 semi-annually as a sinking fund for the redemption of the preferred stock, which may be called for this purpose at \$100 per share plus accrued dividends.

## Note 4

Common stock is \$1 par value; 10,000,000 shares are authorized, of which 7,163,782 are issued, 12,400 are held in the Company's treasury and 7,151,382 are outstanding.

Common stock account transactions of the Company during the year were as follows:

Balance, April 30, 1966	\$47,347,756
Issuance of 33 shares of common stock for 4% convertible subordinated debentures	1,087
Excess of stated value over cost of 3,410 shares of cumulative preferred stock retired	43,375
Balance, April 29, 1967	<u>\$47,392,218</u>

At April 29, 1967, the following options, granted to certain employees and officers, to purchase 308,165 shares of common stock, at 100% of the market price on the dates the options were granted, were outstanding: 299,565 shares at \$21.81 per share, exercisable on a cumulative basis to December 7, 1970;

8,600 shares at \$23.63 per share, exercisable on a cumulative basis to December 10, 1970.

## Note 5

For the year ended April 29, 1967, this amount results from the carryover of net operating loss of a subsidiary company (liquidated September 19, 1965).

## Note 6

The Internal Revenue Service has completed an examination of the Company's Federal income tax returns for the years ended April 30, 1961 and 1962 and has proposed additional assessments of \$630,000.

The Company is protesting such assessments and is claiming refunds of \$140,000. In the opinion of management, based on advice of tax counsel, it is unlikely that any material deficiency in tax will be finally determined against the Company.

The Federal income tax return for the year ended April 30, 1963 is currently being examined. The examining agent has indicated proposed deficiencies in tax, which the Company is protesting in conferences with the agent. Since the final report has not been issued by the Internal Revenue Service, the Company is unable to determine the additional tax which will be proposed. In the opinion of management, the adjustments, including the additional tax, will not have a material effect on the net equity of the Company.

## Note 7

The Company rents the majority of the premises occupied. At April 29, 1967, the minimum annual rental for such premises under 707 leases expiring more than three years after that date amounted to approximately \$24,975,000 plus, in some instances, certain taxes, insurance and other expenses.



# SOURCE AND USE OF FUNDS

FOOD FAIR STORES, INC.  
AND SUBSIDIARIES

Source of funds:	52 weeks ended	
	April 29, 1967	April 30, 1966
Net income . . . . .	\$12,031,374	\$12,504,014
Depreciation and amortization . . . . .	12,336,730	11,500,930
Increase in long-term debt . . . . .		8,126,822
Increase in deferred Federal income taxes . . . . .	1,381,750	
	<u>25,749,854</u>	<u>32,131,766</u>
<b>Use of funds:</b>		
Cash dividends . . . . .	6,606,947	6,573,307
Property, plant and equipment additions, net . . . . .	9,510,008	18,965,649
Increase in miscellaneous other assets . . . . .	591,556	1,059,838
Increase in investments . . . . .	1,187,551	1,173,938
Retirement of preferred stock . . . . .	297,625	275,266
Decrease in long-term debt . . . . .	2,993,546	
Decrease in deferred Federal income taxes . . . . .		271,600
Other items . . . . .	148,913	478,860
	<u>21,336,146</u>	<u>28,798,458</u>
<b>Increase in working capital . . . . .</b>	<b>\$ 4,413,708</b>	<b>\$ 3,333,308</b>

LAVENTHOL, KREKSTEIN, GRIFFITH & CO.

*Certified Public Accountants*

1528 WALNUT STREET  
PHILADELPHIA, PA. 19102

To the Board of Directors and Shareholders  
Food Fair Stores, Inc.

We have examined the consolidated statement of financial condition of Food Fair Stores, Inc. and Subsidiaries at April 29, 1967, and the related consolidated statements of income, retained earnings and source and use of funds for the fifty-two weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the financial statements of the Company and Subsidiaries for the fifty-two weeks ended April 30, 1966.

In our opinion, the accompanying consolidated statements of financial condition, income and retained earnings present fairly the financial position of Food Fair Stores, Inc. and Subsidiaries at April 29, 1967 and April 30, 1966 and the results of their operations for the fifty-two week periods then ended, in conformity with generally accepted accounting principles applied on a consistent basis; and the accompanying consolidated statement of source and use of funds presents fairly the information shown therein.

*Laventhol, Krekstein, Griffith & Co.*

June 29, 1967

NEW YORK • PHILADELPHIA • LOS ANGELES • WASHINGTON, D.C. • HARRISBURG • WILKES-BARRE • LEWISTOWN  
MEMBER CPA ASSOCIATES / OFFICES IN PRINCIPAL CITIES



## FOOD FAIR STORES, INC.

as of April 29, 1967



STATE	FOOD UNITS	DEPARTMENT STORES
CALIFORNIA	42*	—
CONNECTICUT	22	3
DELAWARE	9	—
FLORIDA	156	21
GEORGIA	5	1
MARYLAND	53	—
MASSACHUSETTS	—	10
NEVADA	6	—
NEW HAMPSHIRE	—	3
NEW JERSEY	83	4
NEW YORK	63	7
NORTH CAROLINA	—	1
PENNSYLVANIA	104	1
RHODE ISLAND	1	—
SOUTH CAROLINA	2	4
VIRGINIA	20	2
Total	566	57



*\*In addition, there are seven drug stores in California.*

**FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 67**

# OFFICERS and DIRECTORS

## OFFICERS

LOUIS STEIN  
*Chairman of the Board  
Chief Executive Officer*

MYER B. MARCUS  
*Vice Chairman of the Board*

JACK M. FRIEDLAND  
*President*

ARTHUR S. ROSENBERG  
*Senior Vice President*

ARNOLD D. COHEN  
*Vice President  
Director of Distribution*

RONALD L. FINE  
*Vice President  
Director of Real Estate  
Construction and Maintenance*

DAVID T. FRIEDLAND  
*Vice President  
Regional Director*

HAROLD FRIEDLAND  
*Vice President  
Regional Director  
Director of Buying and  
Merchandising*

J. ARVID JONSSON  
*Vice President  
Director of Industrial Relations*

SAMUEL P. MANDELL  
*Vice President  
Director of Manufacturing*

HARRY PRIPSTEIN  
*Vice President  
Director of Grocery Buying and  
Merchandising*

JOSEPH H. RASH  
*Vice President  
Director of Maryland and  
Virginia Operations*

HERMAN R. SILVER  
*Vice President  
Director of Meat Operations*

B. F. LIEBER  
*Secretary and Treasurer*

EDWARD MANN  
*Controller*

SAMUEL FORMAN  
*Assistant Secretary*

HOWARD S. JACOBSEN  
*Assistant Secretary*

LEO DICANDILO  
*Assistant Secretary*

## DIRECTORS

D. FREDERICK BARTON  
*Partner, Eastman, Dillon,  
Union Securities & Co.*

GEN. OMAR N. BRADLEY  
*Chairman  
Bulova Watch Co.*

GEORGE FRIEDLAND  
*Former Vice Chairman and  
President*

JACK M. FRIEDLAND  
*President*

SAMUEL FRIEDLAND  
*Chairman of the  
Executive Committee*

HESS KLINE  
*Former Vice President and  
Treasurer*

SAMUEL P. MANDELL  
*Vice President*

MYER B. MARCUS  
*Vice Chairman of the Board*

ARTHUR S. ROSENBERG  
*Senior Vice President*

HAROLD W. SCOTT  
*Financial Consultant*

HERMAN R. SILVER  
*Vice President*

LOUIS STEIN  
*Chairman of the Board*

W. PAUL STILLMAN  
*Chairman  
The First National State Bank of  
New Jersey*

## EXECUTIVE OFFICES

3175 John F. Kennedy Blvd., Philadelphia, Pennsylvania 19101

## GENERAL COUNSEL

Stein Abrams & Rosen, New York, New York

## TRANSFER AGENT

Registrar & Transfer Company, New York, New York

## REGISTRAR

Chase Manhattan Bank, New York, New York

## CERTIFIED PUBLIC ACCOUNTANTS

Laventhol, Krekstein, Griffith & Co., Philadelphia, Pennsylvania

*Food Fair Stores, Inc. preferred stock and common stock are fully listed on the New York, Pacific Coast, and Philadelphia-Baltimore-Washington stock exchanges.*



*Philadelphia, Pennsylvania*

**FOOD FAIR  
STORES, INC.  
ANNUAL  
REPORT 62**

